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Control No. 447964
11 March 1954

MEMORANDUM FOR: IWG Members
Mr. Spencer M. Beresford, FOA/MDAC
Mr. Douglas Coster, State/EDS
(For the attention of Mr. Tom Strong)

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SUBJECT : Clearance for [] date of information January-
February 1954 and [] date of information
9 March 1954

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1. Enclosed herewith are copies of the subject communications.
Permission has been granted to disseminate them further as follows:

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a. [] - To FOA/MDAC/Washington and USRO/Paris, FOR
INFORMATION ONLY, classified SECRET/US OFFICIALS ONLY; to State
posts at Zurich, Istanbul, Ankara and Belgrade, FOR ACTION,
classified as SECRET.

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b. [] - To FOA/MDAC/Washington and USRO/Paris,
State posts at Istanbul and Ankara, FOR INFORMATION ONLY,
classified SECRET/US OFFICIALS ONLY; to State posts at
Zurich and Belgrade, FOR ACTION, classified as SECRET.

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2. Positive identification of the names reported in []
has not, as yet, been possible. The following information may be of use,
however for further investigation of the reported transaction.

a. POPOV of ETABLISSEMENT PEPPER, Vaduz, Liechtenstein

1. The most likely identity of Popov and the "Pepper"
firm appears to be the following: A Herr POPOFF, "a naturalized
British subject, of INTERNATIONAL IMPORT AND EXPORT GESELLSCHAFT,
Krefeld, West Germany was reported in March 1953 as purchasing
a number of strategic items, ostensibly on behalf of INTERCONT,
Belgrade. Many of these orders were placed with Popoff by
Swiss intermediaries, one of whom was FALKIMEX, the firm of the
notorious Polish procurement agent, Isaac Falk.

In late 1952 a shipment of ball bearings consigned to
INTERCONT was shipped from Rotterdam to Rostock on the
instructions of ETABLISSEMENT RIVER, Vaduz, Liechtenstein
(Bonn D 988, 17 September 1953) may refer to various deals in
which Popoff's firm was involved although Popoff himself is
not mentioned;

State Dept. declassification & release instructions on file

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With regard to Popoff it has also been reported "His undesirable activities as the guiding hand behind Tarlair Ltd. and Burlington Development Co. Ltd in connection with textile contracts made in 1947/48 through Jela, are already known to the Board of Trade." (See Allied Control Authority, Germany, Office of the Economic Adviser, Report #9, 23 March 1953).

ETABLISSEMENT RIVER was involved in the diversion of copper wire shipped from Sweden on the WIROS to Rotterdam where it was transshipped to Gdynia. CITEX, a forwarding firm, arranged for the transshipment on instructions from Etablissement River. A second attempt to divert 4000 tons copper wire and sheets from Sweden has been prevented [REDACTED]

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2. Belgrade D-553, 16 February 1954 reports a transaction which involved ETABLISSEMENT PEPPER and PROGRESS the Yugoslav firm purported to be the end-user in the subject transaction. According to the Belgrade despatch an unnamed UK firm applied for an export license to cover a shipment of 3500 tons of copper in various forms to Progress. The application for the license was supported by a declaration that the copper would not be re-exported and an end-use certificate by the Yugoslav Chamber of Commerce in Belgrade to the same effect. [REDACTED] were aroused since the copper was to be purchased directly from the supplier rather than through the Exchange, payment was to be in dollars, shipment to be via Antwerp, and the Liechtenstein firm appeared as an intermediary. (In view of the current difficulty of identification of the Liechtenstein firm "Pepper", it is of interest to note that the name was illegible in this instance and that "Pepper" seems to be the best possible reading).

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3. Metodi Simeonov POPOV has been reported as Commercial Counselor of the Bulgarian Legation in Bern. It is thought possible that he is replacing Jacob Magura as "the focal point of East/West trade activities for the satellite missions here, but the Embassy has no information which would confirm this statement" [REDACTED]

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b. One Orhan KAVUR who was Second Secretary of the Turkish Legation, The Hague, in 1948 was dismissed from the Turkish Diplomatic Service. At that time he was involved in the smuggling of gold from Switzerland into France.

c. S.O.K. LTD. has not been identified.

d. The firm PROGRESS of Belgrade has been recently reported in connection with a suspected diversion of aluminum from the United States (see Bonn T/2702, 2 March 1954 and Paris/tel/1393, 3 March 54).

e. The S/S KATHARIOTISSA, gross tonnage of 1877 tons, is owned by J. P. Paraschos of Piraeus, Greece and is of Greek registry. It was built in 1913.

3. Suggestions for the development of further intelligence

a. Identification of Popov, Etablissement Pepper and of Kavur and S.O.K. by posts in Switzerland and Turkey.

b. Identification of the UK firm and Swiss firm reported in Belgrade D-553 of 16 February 1954.

c. Details of Turkish export license presumably issued by the Turkish government for the subject transaction.

d. Details of Yugoslav import certificate or end use certification for the subject transaction.

4. It is requested that this Agency be advised of use of the foregoing information by the addressees of this memorandum.



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Executive Secretary
Intelligence Working Group

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